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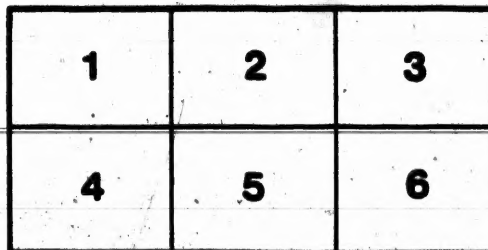
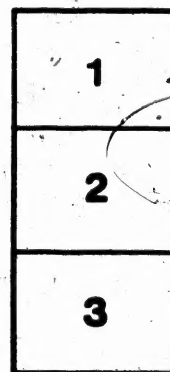
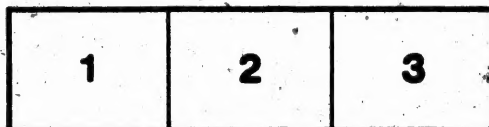
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GRAND TRUNK RAILWAY COMPANY OF CANADA.

VERBATIM

REPORT OF THE PROCEEDINGS

AT THE

MEETING OF SCOTCH SHAREHOLDERS.

HELD IN THE

RELIGIOUS INSTITUTION ROOMS,

GLASGOW,

ON

TUESDAY, the 9th JANUARY, 1877.



GRAND TRUNK RAILWAY OF CANADA.

A MEETING of Shareholders of the Grand Trunk Railway of Canada was held on the 9th January, 1877, in the RELIGIOUS INSTITUTION ROOMS, Glasgow. There was a crowded attendance.

Mr. ROBERT YOUNG—I beg to propose, with your permission, that Mr. John M'Gavin take the Chair. (Applause.)

Mr. JOHN M'GAVIN took the Chair accordingly, and said—I thank you for having asked me to 'preside at this Meeting'. I am very glad to see that so many Shareholders have responded to the call which Mr. Wemyss and I made to the Shareholders of the Grand Trunk Railway of Canada, which has, perhaps, been the most unfortunate—at all events, one of the most unfortunate—railway systems in the world. From its very inception it has been quite a continuation of disappointments, and delusions; in fact, those in the room who have been long connected with it will bear me out when I say that nothing, or very few things in this world, have so much tried the temper of Shareholders as the history of this Grand Trunk Railway of Canada. You will recollect, many years ago, in the Reports which we had from our Managing Director, Mr. Bridges, how many promises were made in regard to the future, and how much was said with regard to the stability of the Line for the time being. You will also recollect how many expectations were excited as to the future prosperity of the undertaking for the unfortunate Shareholders. I think, gentlemen, that almost all these predictions and all these promises have been falsified by the subsequent facts; and here we are to-day, after having since then sunk in this Railway several millions of money, perhaps in as hopeless a condition,

in some respects at least, as we were at that time. A good many years ago, Mr. Potter took out Mr. Allport, the Manager of the Midland Railway, for the purpose of inspecting and reporting on the then position of the Grand Trunk Railway of Canada. We, the Shareholders, had been led to believe that their inspection would reveal a state of matters somewhat calculated to relieve our anxiety and remove the forebodings which filled our minds at that time. Mr. Allport's description of what he found was very graphic and very exhaustive. He said there was plenty of traffic, but that the system itself had been worn down to its very bare bones, and that it could not overtake or execute the work that was offered to it. The result of that Report was that an attempt was made to re-organise the undertaking, both with regard to the rails and the vehicles on the Line, or what we call the Rolling Stock. Well, several things were set on foot; and I must say, on my own part, that Mr. Potter discharged his difficult duties with great ability, though, unfortunately for us, up to this time there has been a loss of a great deal of money. Many of us who were Bondholders latterly became Stockholders or Shareholders, and we have got nothing for our stocks since that time. I am glad, however, to say, that the Railway, from all accounts, is now in a first-rate physical position. (Applause.) Nay, more than that, I believe we have abundance of traffic, so much so, that I am assured that our administration in Canada was picking the traffic, at least, the through traffic. In fact, there was more traffic than could be carried. The misery of the thing is, that whilst the traffic has increased the profits have decreased, and the more we carry the worse it appears for us. That is the state of matters; because you will find that there was no profit, and that the last half-year was worse than similar periods many years ago. Thus, notwithstanding we have sunk in the property millions of money, and notwithstanding we have, as was stated by Captain Tyler at the last Half-Yearly Meeting, the best railway, perhaps, on the American Continent, having proportionately more steel rails than any railway in the world, yet after all we have suffered. We are earning to-day less profits than we were doing six or eight years ago, when the

whole property was considered to have gone to wreck. We have met to consider whether we can suggest anything which may be for the future good of this property. I do not intend to enter into the history of the Grand Trunk at all. When its history comes to be written, as I have no doubt it will be, the enterprise will be pronounced to be one of the most deplorable and worst managed that has been known in the railway world. I think we must, to a large extent, bury the past, and endeavour to improve our position for the future. There are various causes which, I think, may be stated as having produced this unsatisfactory state of things. The first is, that the Canadian railways seem to have been made before they were, to a large extent, required. Indeed, to-day, as regards our own Railway, we have 200 or 300, I may say 300 or 400 miles of railway that ought not even now to have been made, and that are not at the present moment leaving us any profit, but are rather eating into the profits derived from the other parts of our system. Well, that is one of the causes. They were made too early, and so there was not traffic for them. Hence they could not be expected to be prosperous. The next cause was the fact of the railways being removed some 3,000 miles from the Shareholders. We all know that even in this country, where, living upon the spot, we can see the managers and the directors, and the whole railway system itself, we have very great difficulty in keeping things right. I think my friend, Mr. Young of the North British, will agree with this remark. (Applause.) But what can you expect with a railway 3,000 miles away, and with an administration over which you can have very little control? I think that is one of the principal causes which have produced the unfortunate state of our affairs. But, gentlemen, the chief cause, at least for the past two years, has been this wild competition—this antagonism of one line towards another, in the United States of America and in Canada. According to the last Half-yearly Report of the Grand Trunk Railway, we had been carrying goods—not minerals, mind you—but goods and minerals—our general traffic, gentlemen—at rates which yielded us less than a $\frac{1}{4}$ d. per ton per mile. The exact figure, I believe, was 90.4 of a cent per ton per

mile for through traffic. Any gentleman who knows anything about railway management will agree with me that, even in the best climates, and with the best appliances and the best supervision, no railway can carry general goods at that price. I believe it is utterly impossible to do so. This has been going on for the last two or three years, and could not but be the main cause of the failure of the undertaking to realise a profit. One of the principal objects we have in view to-day is to impress upon our Managers the necessity that these struggles shall cease, and that we shall have *peace* with our neighbours, especially with the Great Western of Canada; that we shall, so far as we can, have peace with the American railways, and fix such rates as shall be fair to the public and remunerative to the railways themselves. (Applause.) We have come to a crisis, and must take some vigorous action in this matter; otherwise, I venture to say, having studied the subject very carefully, to every Shareholder here who holds from the first Preference Stock downwards, that your property will to a certainty, in a very few years—it may be even sooner—be entirely forfeited, and you will not receive a shilling; because I believe that the Bondholders will at that time very likely have to step in, and foreclose the whole property; so that if we are to do anything at all, we must do it now vigorously and quickly. I may state before closing, that I have some hopes that Captain Tyler is quite alive to the very critical state of the property, and to the fact that something must be done to retrieve our fortunes. I believe he is quite prepared to receive from his Shareholders throughout Scotland, England, and elsewhere, the best advice that they can give him; and that he is prepared loyally to carry out what he considers, and what the Board may consider, the best policy for retrieving this property. I may state we have prepared a certain number of resolutions, which we shall take the opportunity of submitting to the Meeting. If you will allow me to decide in this matter, I would say it would be conducive to the progress of the business in hand, that we should call upon the party who is to move the first resolution. Thereupon a discussion may take place. Of course, I am in your hands; but my suggestion would facilitate

the business, and make our proceedings more regular. (Applause.) Without saying more, I beg to call upon Mr. Wemyss, who has in his hands the first resolution which we intend to submit to this Meeting. (Applause.)

Mr. WEMYSS.—In addressing a meeting such as this, where there are so many far more intimately acquainted with, and more deeply concerned in railways than I am, I think it necessary to explain that my principal reason for taking a prominent interest in the affairs of the Grand Trunk Railway, arises rather from my connection with Canada as a merchant, than from my interests directly as a holder of Canadian Railway Stocks. I, and many others closely connected, and largely interested in the Dominion of Canada through our business relations, have long felt that the financial positions of the Grand Trunk and Great Western Railways were nothing less than gross scandals in the financial world; and, while sympathising with the Shareholders, who, induced by the most specious representations to invest their money in those undertakings, find that Turkish Bonds would have repaid them better; yet we have also felt that the odium has been put on the wrong shoulders, and Canadians and the Government of the Dominion of Canada blamed when the faults and shortcomings lay with the administrations in England and their nominees in Canada. An attempt, and, I think, a very improper attempt, was made by the late President of the Grand Trunk Railway to raise a national feeling against Canada, and Canadian interests generally, because the Local Government of the Province of Quebec chose to subsidise a railway on the north shore of the St. Lawrence River, a railway, it is true, running parallel to the Grand Trunk Railway, but on the opposite side of this deep broad river, and in many places thirty miles apart. I am not here to defend the policy of the Quebec Government (which chiefly consists of French Canadians, and rabidly opposed to the Central Government, which Mr. Potter wished to involve in his censure), but I believe that a more foolish expenditure of public money can scarcely be conceived. We all know pretty well what the Grand Trunk Railway is financially from Montreal to Quebec; and I have little hesitation in concluding, from my

knowledge of the country, that there is no prospect for many years of the North Shore Railway paying within a large percentage of its working expenses. Of the two sides of the St. Lawrence River, however, the north side was the better, to have located the Grand Trunk Railway, and saved the cost of the magnificent bridge (Victoria Bridge) to the Shareholders. No one for a moment will dispute the right, nay, the duty, of the Governments of the Provinces to do all in their power for the development and advancement of the countries they govern, and no means in the history of the world have been found more effective than the making of railways; but there are some essential conditions which prudence and common sense require before making large outlays in their construction, which, in my opinion, are conspicuously absent on both shores of the River St. Lawrence. There must be natural resources to develop, an energetic and increasing population to take advantage of the facilities offered them, and at least a prospect of remunerative employment, in one way or other, of the capital expended. Those are all absent, besides severe climatic disadvantages to contend with. I do not think the Grand Trunk Railway will suffer seriously by the North Shore Railway.

I will now, if you will allow me, sketch shortly the history of the Grand Trunk Railway, which, although known to many of you, is still also unknown to a number here; but, before doing so, I will just allude to the Great Western Railway of Canada, which is so identified with the other in peoples' minds in this country, and of which at one time I knew a good deal. This line originally consisted of the railway from the Niagara River to the Detroit River, and from Hamilton to Toronto; and if it had been left in its original state, with branches judiciously thrown out to tap some of the very finest districts in Canada, it would to-day have been at least a six per cent., if not an eight per cent. dividend-paying line; but to operate so small a railway did not suit the views of an enterprising Managing Director, and several absurd schemes were gone into. By and by it suited the views and interests of some Directors, Managing Directors, Treasurer, &c., to branch out, until the parent stem has had so

many branches (feeders, the projectors called them, the last and noblest being the Air Line), that dividends have vanished into thin air, and likely to continue so for some years, if the Railway is fairly kept up, and everything fair and square. Any one desirous of further information will find some profitable reading in the Report by the last Committee of Investigation. I am sorry I have not a large map of Canada beside me on which I could point out to you the route of the Great Western Railway of Canada; but I may tell you that its termini are places of no size or importance, and, depending almost solely on through traffic, are likely to remain so for many years to come. Starting from Suspension Bridge at the Niagara River we find the important towns on the line are St. Catharines, 8,000; Hamilton, 28,000; Toronto, 60,000; London, 16,000; Paris, 2,600; Woodstock, 4,000; Ingersoll, 4,000; Chatham, 5,000; Windsor, 4,300*—on the Detroit River; and its safety and prosperity lay, first of all, in keeping down its Capital Account, cultivating and developing an excellent local traffic, and taking thereafter what through traffic could be got at paying rates. In an evil hour American influences prevailed, the one class of traffic was shunted for the other, outlay after outlay was made to provide for the one, until at this time the expended capital is somewhere about £9,470,000. Well, let us look at this through traffic as it is likely to affect the Great Western Railway. It depends in a very large measure on the New York Central Railway on the one side, and the Michigan Central Railway on the other. I do not forget the Detroit and Milwaukee Railway. But we know that the New York Central Railway has obtained a controlling interest in the Canada Southern Railway, which runs from Amherstburg to Buffalo, and is not only a shorter route, but is nearly a dead level throughout. The natural conclusion is, that Vanderbilt will use his own line by and by as his best bridge to cross Canada, and the large outlay on the Glencoe Loop Line will prove to have been a foolish expenditure. Better far to have double-tracked the line from Suspension Bridge to Windsor, or to have secured the controlling influence in the Southern Railway instead of Vanderbilt. In the

* The figures represent the populations.

one way the Great Western Railway could have dictated terms, in the other they must accept them.

But now for our own Line. You are, at least the most of you, aware that the Grand Trunk Railway is a conglomeration of railways. The Main Line was originally from Toronto (60,000) to Montreal (110,000), a distance of 333 miles, passing through some of the finest districts of Canada, and embracing in its route some very important towns, such as Oshawa (3,200), Bowmanville (3,100), Port Hope (5,410), Cobourg (4,500), Belleville (7,400), Kingston (12,500), Brockville (5,100), and Ottawa (30,000), &c. The Bill for this was passed in 1852, and the Line opened in 1856. We have then the St. Lawrence and Atlantic Railway, from Montreal to Island Pond, and its continuation on American soil to Portland, a distance of 297 miles; the Richmond and Quebec Railway, 96 miles; the Grand Trunk Railway of Canada East, from Point Levi (Quebec) to Rivière du Loup and Trois Pistoles (where it joins the Intercolonial Railway), 148 miles; Buffalo to Goderich, on Lake Huron, 160 miles; Stratford to Detroit, 143 miles,—these with the Champlain, Arthabaska and Berlin branches, make up the Grand Trunk Railway as it now exists. Its history in the past has neither been a fortunate nor a savoury one, and the exposures a few years ago in the *Toronto Globe*, the ablest journal in Canada, shewed that at least Canadians were ready to assist in upsetting a system of management which was built upon political jobbery and individual aggrandisement, without one thought of Shareholders' interests. Several of the lines I have named ought never to have been made, or if made ought never to have been taken over by the Board of the Grand Trunk Railway. But it is needless to go back upon the past, except to gain experience to enable us to avoid the rocks on which this great enterprise has been wrecked, and to judge how to act so as to ensure success in the future. In dealing, then, with this conglomeration of railways, we must do so as we find it, and I will try to point out to you the character and capabilities of the different sections. "Those in my opinion divide themselves naturally into three, and starting from the farthest east point, Trois Pistoles (the junction with the Intercolonial Railway) to Québec, thence

to Richmond, there is not in all that 279 miles a village with 1,000 inhabitants except three, or as much local traffic; of course excluding Quebec, as pay grease to the wheels and the train attendants' wages. During summer there is some travel from Quebec to Cacouna, the fashionable bathing place; but for eight months of the year there is positively no traffic to carry, and during the rest of the season the magnificent and comfortable steamers on the St. Lawrence are preferred both for passengers and goods.

I would like to know the net result of working the Railway from Trois Pistoles to Point Levi; from Quebec to Montreal it is a little better; but looking to the enormous cost of keeping those roads open during the winter, I think we shall not be far out if we place the annual loss in operating them somewhere about £60,000. We have next the portion from Richmond to Portland, which, as regards local traffic, must prove a dead loss, but which, for the sake of communication with the seaboard, it is necessary to keep open. The service, however, ought to be reduced to a minimum, and if possible only mixed trains run. Now those portions of the system appear to me to be the life-blood drainers of the whole, and the other portions, which I shall not particularise, are obliged to sustain out of their profits the great annual loss entailed in working them.

Well, what is the remedy, some will ask? while others will doubtless say, you cannot pick and choose, but must operate the Railway as a whole, and take the bad with the good. To the latter I reply, Not so. If the Grand Trunk Railway paid on the average I would willingly agree that it be kept open throughout; but when million after million has been poured into this insatiable Trunk, and the cry is still give, give; when the Shareholders find themselves year by year worse off than before, when even the country through which the Railway passes is unbenefited during a large portion of the year, I think it is time to inquire what the Shareholders are legally bound to do, and how best to act to bring a really fine property into a dividend-paying position. Now the first thing towards finding out a remedy is to discover the cause of the disease; and in the

case of our patient, this, first of all, does not arise from the charges for local traffic, those being full enough, and indeed my friends in Canada have lately been sending me papers shewing large discriminatory rates against the local merchant and in favour of the through freight. I may mention that my Agents in Liverpool frequently arrange a through rate, *via* Portland to Toronto, at from 15s. to 20s. per ton less than will be accepted to Montreal. That means shutting out the Montreal merchant from the Western trade; but it is done in competition by the Allan's Line and Grand Trunk Railway, with the steamers landing their cargoes at Boston and New York, and the railways running westward. Well, gentlemen, we see here some trace of the cause of the disease in the through traffic to Canadian points, but that is small in comparison with the real "Through Traffic" for which both the Grand Trunk and Great Western Railways are mere links in the chain of railways passing from the busy east to the great west of the American Continent, and which has lately been carried at such ruinous rates. But there is, as I hope I have already shewn to you, another and very serious cause—that is, unprofitable sections, and until those are dealt with, the Grand Trunk Railway administration can scarcely be enough independent to dictate in the future terms on which through freight can be carried. My proposal may seem a very strong one, but I believe it has the elements of prosperity and better times in it for the whole Grand Trunk Railway system. Close the railway service entirely on the line from Point Levi to Rivière du Loup and Trois Pistoles, from the 31st October to 15th May, and during the rest of the year run only mixed trains when remunerative traffic offers; from Richmond to Quebec reduce the train service to a minimum, and during the winter (if the weather and snow admit of doing so) run one train alternately from each end daily. If this does not meet the views and wishes of the Lower Canadians and the Government of Canada, why, then, either let them guarantee to the Shareholders the cost of the service, or purchase the Line, at least as far as Quebec, which, in fact, is the natural termination of the Intercolonial Railway, that city being the seat of the Government of the Province of Quebec. We have heard a great

deal about the amount granted by Canada to this Railway, the obligations which this subscription entailed; but I tell you, gentlemen, the Grand Trunk Railway secured this £3,112,500 at a vast sacrifice, when the Directors consented to make the eastern sections, and take over the Atlantic and St. Lawrence Railway; and it is well also to remind some Canadians of the enormous advantages which Canada has derived from the Grand Trunk Railway, to ask them to consider what the country was in 1856, and what it is in 1876; to ask themselves what Montreal, Kingston, Toronto, Hamilton, London, would have been to-day without the railways; what the values of house and landed property, the prices of all agricultural and other produce were twenty years ago, and what they are now; and whether having doubled, nay, in many cases quadrupled, the value of property in Canada, the railways, the great agents in bringing about this happy issue, are to be the only interests left to suffer, or that the trifling contribution already made to their funds is to weigh in comparison with the millions gained in material wealth, and the advantages to personal comfort in travelling at all seasons of the year. Let them ask themselves, and let the Government of Canada say, if it would be fair or reasonable to insist on a service where there are neither passengers nor goods, or that Shareholders should be compelled to continue to expend money to their great loss, and without benefiting any one. I believe there is now at the head of this Railway, the best man that has ever been its President—one who, free from influences that ought not to have a controlling power at the Board, will bring to bear on its affairs a very large railway experience, great administrative capacity, and a thorough determination to do all in his power for the general Shareholders, without regard to class. If there is hope for them in the future, I think they may rely on Captain Tyler. Let the Shareholders, then, rouse themselves from the hopeless apathy into which they have sunk; let their influence be once more felt in the affairs of this great Company, and let their loyal support be given to any well-considered measures that give promise of raising the Grand Trunk Railway out of the wretched condition which, from the reckless folly and time-serving policy of its administrators, it has

from the beginning been in. That it has great vitality, and is capable of a happier and brighter future for the Shareholders, I feel sure; but to attain this end, radical measures are necessary, and an entire change of the traditional policy of the administration. I fear I have already trespassed too long on your time, and will now move the resolution I have been asked to propose—“That, as the portion of the Grand Trunk Railway from Richmond to Point Levi (opposite Quebec), and thence to Rivière du Loup and Trois Pistoles, passes through a district of country which, from its ungenial climate, absence of natural resources, and very sparse population, cannot now, nor for many years to come, pay a railway's working expenses; seeing that the traffic on this portion of the line is of the most meagre kind at any time, and during eight months of the year almost *nil*, it is hereby resolved that the position of this portion of the Railway be brought prominently before the Directors for their consideration, with the view of taking steps to shut it up from the 31st October to 31st May of every year, and during the rest of the year only to run trains when traffic is sufficient to remunerate the Company.”

Mr. M'KILLOP—I beg to second the resolution, and in doing so, I wish to offer one or two remarks. I can see no harm whatever in the adoption of a resolution of this nature, which I may say is in the form of a suggestion to the Directors. I think that if any reform is to be accomplished at all, it must be done by more urgent measures. I myself was a Bondholder, and am now a first and second Preference Shareholder. But I think that looking to the past it is impossible that any reform can be accomplished under the present Board of Directors. I quite agree with what Mr. Wemyss has said with regard to the Chairman. But since the revelations which have been made with regard to Mr. Potter's retirement from the Board, I think considerable light is thrown on the present constitution of the Board of Directors. I think there are gentlemen sitting there who have other interests to serve as well as Directors of the Grand Trunk Railway. (Applause.) I second this motion with very great pleasure. I think it would be most necessary that a committee should be formed, because the negotiations between the Directors of the Great

Western of Canada and the Grand Trunk Railways, have not been conducted as they should have been. There has been an attempt on the part of the one to overreach the other, whereas we all know that the prosperity of the one is closely allied with that of the other. Unless some such arrangement can be brought about by the combined action of both bodies of Shareholders, I do not see much hope for us in the future. I hope there will be a committee. (Applause.)

Mr. KAY—Is it a fact that the Railway Company is bound to keep that unprofitable line open? Is it a fact that according to arrangement they are not only bound to keep it open, but also keep it in good condition?

The CHAIRMAN—All I can say is this, that I have read the statutes with regard to this matter, and it appears to me, although I am not a lawyer, and the question will have to be decided by law, that if we have not the power to shut it up, we have the power to run trains once a week, once a month, or once a year. (Laughter.) I may be wrong, but that is a very important question—one that will require to be settled by law.

The resolution was then put to the Meeting, and carried unanimously and with acclamation.

Mr. HANDYSIDE moved :—"That, looking to the difficulties surrounding the Grand Trunk Railway of Canada, and to a management, owing to distance, practically irresponsible, it is resolved that the Directors be requested to arrange for a deputation, either from themselves, or from among the larger Shareholders, to visit Canada at least once annually as a committee of investigation and inspection, with full powers." I think this deputation or committee of investigation would do a very great deal of good, the Line being so far from the eye of the Board. I believe the Line is very badly worked. Having been over it myself, I can bear testimony to that fact. The working expenses are nearly 80 per cent. I think the Line could be worked for very much less. The Directors appear to state that the cause of this very high percentage of working is owing to the through traffic. Now, I believe we have got very little through traffic. A correspondent of mine states he had received

a letter from the Secretary, stating that the through traffic to Boston amounted to no more than £40,000 a year. I can bear testimony to the fact that the quantity of goods shipped from Portland is very trifling indeed. If such be the case, then, the cause of the high-working expenses is not explained in that way. What the present decrease in the returns arises from, I don't know; but I do know that the quantity of grain shipped, where the competition has taken place, is a mere nothing. The quantity that is entered from Boston would not bring, for the two competing railways, more than £90,000 per annum; and if the Grand Trunk gets one half—namely, £45,000—it gets a fair share. Therefore, the working expenses, whatever they arise from—they may be from mismanagement—don't arise from the competition of the through roads. I have no doubt, if a committee be formed, and they go over to Canada, they will be able to do a great deal of good. I know what I found when over there; no controlling power existed at all. At Portland there are rolling mills that rolled iron for the Grand Trunk. The rails supplied were to be of a certain weight; but there was no contract at all as to what iron the owners of the mill should use. He might use good or bad iron as he liked. When I went to Montreal and saw the General Manager, Mr. Bridges, I said to him, the cause of the Grand Trunk getting into difficulties was the iron, because some of the iron sent from this country had not lasted twelve months. In some cases I brought some pieces which were not upon the track more than a fortnight. Mr. Bridges admitted that the cause of the Railway getting into such a dreadful state was owing to the iron. I asked him if he had a person to inspect the rails. He said he had. I replied, you have not such a person at Portland. He answered it was not worth while for an inspector being there, so few rails being needed at that place; but the fact was, that at Toronto there was no specification either. The parties could use any sort of iron they liked. This want of controlling power was manifested in all the affairs of the Line. Take Montreal, for instance, where carriages are built. There is no system there either. Every man in the workshop appears to do what he likes. In any private firm a

certain number of men would be set apart to build a carriage, and the time they took would be noted down; but at Montreal, no books were kept at all, and they could not tell whether a carriage cost £50 or £500; therefore, until there is a change, and a thorough reform in these respects, we need not expect better results from the working of the Grand Trunk.

Mr. KAY—I beg to second the resolution.

A SHAREHOLDER—Does Mr. Handyside speak as to the present position of the Railway, or as to that which was in existence before Mr. Allport went over the Line? because I understand there has been an entire change since that time.

Mr. HANDYSIDE—I was over before Mr. Allport was there; but the working expenses, I am sorry to say, are pretty nearly as bad now as they were then. Therefore, if any change has taken place since then I do not know; but this I know, that the working expenses have not been brought down.

Dr. DONALDSON—I am very doubtful whether this deputation or committee of investigation would produce any good effects. We all know that deputations heretofore have done no good to the Grand Trunk. How is it possible for a deputation to be able to look into the working of such a large undertaking and obtain satisfactory results? Any man with a large business cannot go through the minutiae of that business. He must employ competent and honest servants. That is the first point we have to consider. If our affairs are carried on in a loose way, it is not creditable that Mr. Hickson should be Superintendent of the Company. But I think the first thing we should do is to turn out the Board. (Applause.) They have been long enough there. If they were gentlemen of honour they would not take their money when we were in a state approaching bankruptcy; therefore, you should get them turned out entirely; but, by all means, have competent men in Canada—men in whom you can place perfect trust. I do not object, however, to the resolution. I merely wish to state that I cannot see there will be much benefit derived from sending out a deputation, either of the Directors or of the Shareholders, more especially a deputation from the present Directors. (Applause.)

Mr. HANDYSIDE—I believe, gentlemen, that it would be a very good thing if the Shareholders were frequently to go over and see the working of the Line. I know that when I went there it was in a very bad state. When I arrived at Portland, the Line had got such a bad name that if I could have got any other means of passing over the Line, I would gladly have availed myself of it, because there was never a day but some cars were off the rails in consequence of the very bad state of the Railway. I exposed the defective character of the iron, and, I believe, through my expostulations some good was done, inasmuch as Mr. Potter, the Chairman who succeeded Mr. Watkins, made a claim upon several of the parties who supplied the iron. Now, had I not gone over I do not think that would have been done. Years went on with that bad iron, and it appeared it would go on for ever. They had not a machine to test the iron, and yet they were spending £100,000 per annum on new rails. I say they had not a testing-machine to tell whether they were getting good iron or not. I went to the place where there was made a good deal of the rails, and I was told by the manager of the works that when they made rails for Russia, there were parties present to test and break the rails, in order to see what materials they were made of; but in the case of the Grand Trunk there was no test at all, the rails were never examined, but they were just as received laid down upon the track. As I have said, by exposing this I did some good. In the first place, our Chairman made a claim upon several of the companies for supplying us with bad material, and they commenced to lay down better rails. At the present time the rails are very much better. We know that in this country, if shareholders in passing over the line did not call attention to what they observed was going wrong, things would not be well managed. Even in this country things are sometimes not well managed; so that I think if a deputation of Shareholders went over annually, and observed the working of the Line for themselves, I have no doubt the management would be much better. (Applause.) In America the other lines are much better managed, simply because the property is under the eye of the Board. The way they do there is this, if the rails are supplied

they instruct their inspector to break the rails and test them, to see that they are of good quality. I repeat that a deputation such as is pointed out in the resolution, could not fail to advance the interests of the Company. (Applause.)

The CHAIRMAN put the resolution to the Meeting, and it was carried unanimously.

Mr. ROBERT YOUNG—The first thing I should like to do, is to congratulate the Chairman and this Meeting upon the very large attendance. It shews the very deep interest that the Shareholders of the Grand Trunk Railway of Canada are taking in its present management, or as some would say, its mismanagement. I must also congratulate this Meeting upon having in the Chair to-day a gentleman who has a world-wide reputation—(Applause)—for his high character and railway experience. He is known for his calmness, for his moderation, for his judicious counsel, for his incisive speaking, and, I am also bound to say, he is known for the success of his movements. (Applause.) Therefore, I take it as a good augury for the success of our present movement. For myself, my own holding is not very large in this Railway; but what I do hold is the first Preference Stock, upon which you all know I have received no dividend for some time past. What I hold, I have held through thick and thin, and through good and bad report for many years. I have also a small holding in the Great Western of Canada, as well as representing other friends who hold an interest in it. Without boasting I may say I have some little railway experience. What Dr. Donaldson said is to a large extent pertinent; yet I always find it is better, if possible, to carry with us, in any movement for the reform of a railway, the sympathies and feelings of the Directors. (Applause.) Now, sir, I do not know personally any of the members of the present Board; but I believe they will be desirous to elicit our opinion; in fact I understand from the Chairman, they have expressed such a desire. We are therefore here, not so much to find fault with the past as to regret, and also to suggest in our opinion some remedies for the future. We desire to be alive to the interests of the Railway, and to take a fair, intelligent, active, and friendly interest in it. I have not the slightest doubt that we

shall be so far successful. I believe that there are many here like myself, Shareholders in both companies—the Grand Trunk and the Great Western of Canada. We must all regret the ruinous competition that has been prevailing for so long a time. I know that managers sometimes in 'their competition' with others, aggravate the evil by their own zeal in order to obtain traffic, and sometimes they obtain it in such a way as to leave no profit to the Shareholders. This has been the case as regards these two great railways. I believe that both railways have a great future in store. We have certainly more traffic than we have hitherto received. I don't know that our efforts will be looked upon with any disfavour by the traders. For they sometimes tell me they regret the competition; for while they secure low rates, there are often considerations which lead to their own discomfort, and what is carried too cheaply is often not well carried. Various remedies have been suggested. I am not here to find fault with those who advocate these remedies. Each one may have its advantages. You all know, from recent circulars, that there is a very general idea of a fusion of the two companies. If that could be done the plan would be an excellent one; but, before entering upon it, you would require to obtain Parliamentary sanction, and I put it to you as intelligent men, whether in the present state of parties in Canada it is at all probable that that sanction would be given. We must therefore look at something which is more practicable. Then there is the joint purse-agreement. That works well when the shareholders in both companies are equally interested, and when the directors take, as they ought to do, a fair and intelligent share in it. My own experience has been, with regard to something of the same kind, that there are always many obstacles in the way of such a scheme, and you can only secure its effectual working by a Parliamentary and statutory enactment. Is it likely we would obtain that at the present time? Then there is the third plan, of equal rates and fares. Any one experienced in railway management knows that although that is the fair arrangement, traders do frequently come to a manager and state they have got lower quotations from the opposition line, and that to secure traffic a lower rate must be

made. We are now come to the last plan, which I will take the liberty of recommending to you, and that is, the division of all competitive traffic. I say the division of that kind of traffic is possible, and certainly is quite practicable, and it would be to us undoubtedly profitable. So that this is what the committee, who have got up this Meeting, are recommending to you now. We don't wish to press our views as to the manner of doing this upon the Board, but if our suggestions have any effect, we would say, you should go into it at once vigorously, and for that object secure your umpire, and tell your Managers you are determined to divide such traffic. Appoint a joint committee of shareholders or directors of both companies, and an umpire, and you have a security for a fair division of the traffic such as is perfectly possible. We have had one or two names mentioned with reference to this matter. There is one name, than which no higher could be mentioned, namely that of Mr. Leman. I do not insist upon his name. There are men in England and Scotland who would be perfectly able to arrange a fair division of traffic. Looking both to the past and the future, there are reasonable hopes that we should get the rates raised, and at the same time give fair security to the public for moderate prices. I beg to move the following resolution: "That, the present competition with the Great Western Railway of Canada, being ruinous in its consequences to both railways, it is hereby resolved, that the Directors be requested to take steps to arrange for an equitable division of the local traffic at all competing points, including Buffalo and Detroit; and also that amicable arrangements be made and continued with the American railways for the through traffic at rates which, while fair to the public, shall be remunerative to Shareholders."

Mr. PIRRIE had much pleasure in seconding the resolution.

Mr. KAY.—May I ask Mr. Handyside whether he considers the statement correct, that £40,000 is the amount of the through traffic?

Mr. HANDYSIDE—I have taken an active part in the affairs of the Grand Trunk. I have two correspondents, one of whom has received a letter from the Secretary stating that the amount

of the through traffic to Boston is only £40,000 per annum. More than that, I think I can prove the statement. I have a railway paper in which is given the amount of the corn that is shipped at Portland and at Boston. I believe, from the amount stated, that it can be proved it will be less than £100,000 per annum. I mean the whole exports. I think the most of our traffic is what may be termed local traffic. It is not really a through traffic. I believe that the term "through traffic" has been used for the purpose of throwing dust in the eyes of the Shareholders.

Mr. KAY—That is the very information I want.

The CHAIRMAN—I am not fully competent to speak upon this question. I think there is some mistake. I recollect making inquiry with regard to the different quantities of the through and local traffic, and I was told that the through traffic of the Grand Trunk was something like 40 per cent. of the whole drawings. That is speaking from recollection. I think, Mr. Handyside, there must be some mistake, and that you have got only the outlets of some traffic, and not the whole.

Mr. M'KILLOP—I think the difference may arise in this way, what is called the through traffic is simply the grain shipped from the sea-ports.

Mr. HANDYSIDE—There has been no competition with the other traffic.

The CHAIRMAN—There has been competition in the world. Allow me to make a statement as to the power to amalgamate. I was in London, and had a conference with some persons who knew thoroughly this question; and it was said that the highest authorities in England, and very high authorities in Canada, have declared, upon examination of all the statutes connecting the Grand Trunk and the Great Western Railway companies, that they have power to amalgamate without further legislative powers. That of course is the opinion of very eminent counsel, to whom the question has been referred; but whether it might be allowed or not is another thing.

The resolution was then put to the Meeting and adopted unanimously.

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Mr. M'BAYNE—I have much pleasure in moving the following resolution put into my hands: "That the following Committee of Shareholders—Messrs. John M'Gavin, Robert Young, Robert Wemyss, J. Jeffrey, Outram G. Handyside, M'Killop, Pirrie, Lamont, Miller, and Dr. Donaldson, with power to add to their number—be appointed to watch the progress of the Railway; to communicate with the Shareholders in other large towns with the view to formation of committees; and generally to take such other steps in the interests of the Shareholders as may be considered advisable; and further, with power to select one of their number for recommendation as a Director."

Mr. Chairman, I may state these were the names that occurred to us, and were not put down till we entered the side-room. We have no special arrangement for names; it is for you to say whether a larger or smaller committee might be preferable. If you think a larger one is better you can add names to those already read. If a smaller, you can transpose other names for those stated here. A larger committee would subcommit to a certain number. If any gentleman in this room would nominate any one, I am sure we would be very glad indeed to accept the nomination.

After a brief conversation, Mr. MILLER seconded the motion, which was adopted.

The usual compliment to the Chairman concluded the proceedings.

